



## Alabama Department of Economic And Community Affairs

DON SIEGELMAN  
GOVERNOR

October 1, 1999

DEWAYNE FREEMAN  
DIRECTOR

### ALABAMA INTERGOVERNMENTAL POLICY LETTER NUMBER 25

**TO: Persons Interested in State CDBG Program**

**FROM: Dewayne Freeman  
Director**

Policy on Drawdowns for Community Development Block Grant Administration Engineering/Architectural Fees (including Inspections).

For *Total CDBG Project Administration, Engineering/Architectural Fees* (including Inspections), the following general payment schedules, unless waived by the Director, will apply.

#### **A. Total CDBG Project Administration**

1. Not more than thirty (30) percent of the total project administration costs can be paid until all conditions have been met and the grant agreement is fully executed and delivered to all parties.
2. Upon the completion of fifty (50) percent of the project construction, as certified by the project engineer or housing inspector, an additional thirty (30) percent of total project administration can be paid.
3. Between the fifty (50) percent project completion stage and the seventy-five (75) percent stage as certified by the project engineer or housing inspector, an additional fifteen (15) percent of total project administration can be paid.
4. Twenty-five (25) percent of approved CDBG administrative costs will be held by ADECA until acceptable close out documents are submitted to and approved by ADECA.

**B. Total CDBG Project Engineering/Architectural Fees (including Inspections)**

1. A total of not more than sixty (60) percent of total engineering/architectural costs can be paid for the project design phase of construction.
2. An additional thirty (30) percent of total project engineering/architectural costs (including inspection fees) can be paid on a proportionate basis during project construction.
3. The remaining ten (10) percent of total project engineering/architectural costs (including inspection fees) will be retained until approvable close out documents have been submitted to ADECA.

The above described general payment schedules are for guide purposes only. In no way is this format to be construed as limiting the review or recovery powers of the State of any CDBG grant fund activity or request for payment.

Effective Date: Immediately